GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3410
ANSWERED ON:07.09.2007
SHIP BREAKING INDUSTRY
Kanodia Shri Mahesh Kumar;Solanki Shri Bhupendrasinh Prabhatsinh

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government levies customs duty on ships breaking industry;

(b) if so, the amount collected on this account during the last three years, year-wise;

(c) whether requests for reduction/ exemption in customs duty on ship breaking industry has been received during the recent time; and

(d) if so, the details thereof and action taken thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) There is a customs duty of 5% on ships for breaking. In addition, it also attracts countervailing duty of 16% and education cess of 3%.

(b) Financial year wise customs duty collected on ships for breaking is as under:

Financial Year	Amount of customs duty realized (provisional)
2004-05	269
2005-06	178
2006-07	298

(Rs. in crores)

(c) Yes, Sir.

(d) Government has received requests for reduction/exemption in customs duty on ship breaking industry. The requests were examined but not accepted on the ground that ship breaking scrap produces mostly re-rollable material, which also attracts 5% import duty. Besides, any reduction would also have involved substantial revenue loss.